

**Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana**

Compiled Financial Statements

As of and for the Year Ended June 30, 2014

Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana

Table of Contents

	<u>Page No.</u>
Independent Accountants' Compilation	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6 – 9
Schedules for Louisiana Legislative Auditor:	
Summary Schedule of Prior Year Findings	10
Corrective Action Plan for Current Year Findings	10

COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TRAVIS H. MOREHART, CPA
A. EDWARD BALL, CPA
VICKIE D. CASE, CPA

TELEPHONE (318) 222-5415

FAX (318) 222-5441

STUART L. REEKS, CPA

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

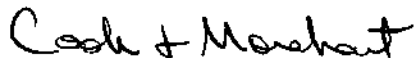
Independent Accountants' Compilation Report

To the Board of Directors
Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana

We have compiled the accompanying statement of financial position of Northwest Louisiana Interfaith Pharmacy, Inc. (a non-profit organization), as of June 30, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.



Cook & Morehart
Certified Public Accountants
November 14, 2014

Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana
Statement of Financial Position
June 30, 2014

Assets

Current assets:

Cash and cash equivalents	\$ 156,773
Inventory	1,790,930
Prepaid insurance	9,438
Unconditional promises to give	27,874
Total current assets	<u>1,985,015</u>

Noncurrent assets:

Cash restricted for equipment and leasehold improvements	12,446
Property and equipment, net	17,786
Total noncurrent assets	<u>30,232</u>

Total Assets	<u>\$ 2,015,247</u>
---------------------	----------------------------

Liabilities and Net Assets

Current liabilities:

Accounts payable	\$ 1,682
Accrued expenses	6,132
Total current liabilities	<u>7,814</u>

Net assets:

Unrestricted:	
Operating	1,931,585
Fixed assets	17,786
Temporarily restricted	58,062
Total net assets	<u>2,007,433</u>

Total Liabilities and Net Assets	<u>\$ 2,015,247</u>
---	----------------------------

See accompanying notes and accountants' compilation report.

Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana
Statement of Activities
For the Year Ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and Other Support:			
Government contracts - revenue			
Caddo Parish Commission	\$ 5,908	\$ 5,292	\$ 11,200
Contributions	3,054,842	27,874	3,082,716
Interest income	13		13
Miscellaneous income	50		50
Net assets released from restriction:			
Satisfaction of restrictions	39,825	(39,825)	
Total revenues and other support	<u>3,100,638</u>	<u>(6,659)</u>	<u>3,093,979</u>
Expenses:			
Support services:			
General and administrative	65,310		65,310
Fundraising	1,186		1,186
Program services:			
Client screening	30,676		30,676
Free pharmacy	<u>2,154,850</u>		<u>2,154,850</u>
Total expenses	<u>2,252,022</u>		<u>2,252,022</u>
Change in net assets	848,616	(6,659)	841,957
Net assets as of beginning of year	<u>1,100,755</u>	<u>64,721</u>	<u>1,165,476</u>
Net assets as of end of year	<u>\$ 1,949,371</u>	<u>\$ 58,062</u>	<u>\$ 2,007,433</u>

See accompanying notes and accountants' compilation report.

Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana
Statement of Functional Expenses
For the Year Ended June 30, 2014

	Support Services			Program Services			Total Expenses
	Administrative and General	Fund Raising	Total	Client Screening	Free Pharmacy	Total	
Personnel	\$	\$	\$	\$ 11,918	\$ 65,129	\$ 77,047	\$ 77,047
Fringe benefits	1,237		1,237	5,180	6,425	11,605	12,842
Professional fees - pharmacist					31,240	31,240	31,240
Accounting and auditing	105		105		8,530	8,530	8,635
Repairs and maintenance	2,697		2,697				2,697
Supplies	173	847	1,020	3,620	3,296	6,916	7,936
Pharmaceuticals					2,032,075	2,032,075	2,032,075
Telephone and utilities	686		686	7,151	2,165	9,316	10,002
Dues and subscriptions	350		350		1,950	1,950	2,300
Insurance	6,823		6,823	1,860	3,151	5,011	11,834
Printing and reproduction	51	60	111	346		346	457
Rent	47,784		47,784				47,784
Other	16	279	295	601	889	1,490	1,785
Depreciation	5,388		5,388				5,388
Total expenses	<u>\$ 65,310</u>	<u>\$ 1,186</u>	<u>\$ 66,496</u>	<u>\$ 30,676</u>	<u>\$ 2,154,850</u>	<u>\$ 2,185,526</u>	<u>\$ 2,252,022</u>

See accompanying notes and accountants' compilation report.

Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana
Statement of Cash Flows
For the Year Ended June 30, 2014

Operating Activities:	
Change in net assets	\$ 841,957
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	5,388
(Increase) decrease in operating assets:	
Inventory	(851,647)
Increase (decrease) in operating liabilities:	
Accounts payable	(1,916)
Accrued expenses	<u>793</u>
Net cash used in operating activities	<u>(5,425)</u>
Investing Activities:	
Use of assets restricted to investment in equipment	<u>2,799</u>
Net cash provided by investing activities	<u>2,799</u>
Net decrease in cash and cash equivalents	(2,626)
Cash and cash equivalents as of beginning of year	<u>159,399</u>
Cash and cash equivalents as of end of year	<u><u>\$ 156,773</u></u>

See accompanying notes and accountants' compilation report.

Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2014

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Northwest Louisiana Interfaith Pharmacy, Inc., (Interfaith Pharmacy), is a private nonprofit organization incorporated under the laws of the State of Louisiana. Interfaith Pharmacy is governed by a Board of Directors composed of thirteen members.

Northwest Louisiana Interfaith Pharmacy, Inc., provides necessary prescription and non-prescription medicines free of charge to the poor, elderly and others in need.

Interfaith Pharmacy's support comes primarily from private contributions, private foundation grants, and donations of medicines from various medical offices, health institutions, and pharmaceutical companies.

B. Basis of Accounting

The financial statements of Interfaith Pharmacy have been prepared on the accrual basis of accounting.

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards. Under those standards, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

D. Income Tax Status

Interfaith Pharmacy is exempt from federal income tax under Section 501(c)3 of the Internal Revenue Code. However, income from activities not directly related to Interfaith Pharmacy's tax-exempt purpose is subject to taxation as unrelated business income. Interfaith Pharmacy had no such income for this audit period. The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ended June 30, 2011, 2012, 2013, and 2014 are subject to examination by the IRS, generally for three years after they were filed.

E. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

F. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, Interfaith Pharmacy considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

(Continued)

Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2014
(Continued)

G. Property and Equipment

All acquisitions of property and equipment and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method.

H. Compensated Absences – Accrued Leave

Regular full time employees of Interfaith Pharmacy may accrue up to a total of four weeks of annual leave based upon their length of service. Employees are allowed to carry over accrued annual leave to the next year at the discretion of the executive director. Regular full time employees may also accrue seven days a year for sick leave and three days a year for personal days, but accumulated sick leave and personal days are forfeited upon separation of employment.

I. Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

J. Donated Services

Donated services are recognized as contributions in accordance with Statement on Accounting Financial Standards, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Interfaith Pharmacy. Included in contributions revenue and program services – personnel in the accompanying financial statements is \$31,240 of donated services from pharmacists.

K. Donated Assets

Donations of medicines are recorded at the estimated fair value at the date of donation. Included in contributions revenue and pharmaceuticals expense in the accompanying financial statements is \$2,874,023 of donated medicines from various medical offices, health institutions, and pharmaceutical companies.

L. Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long

(Continued)

Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2014
(Continued)

those donated assets must be maintained, Interfaith Pharmacy reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Interfaith Pharmacy reclassifies temporarily restricted net assets to unrestricted net assets at that time.

M. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

N. Inventories

Inventories consist of both purchased and donated medicines. Purchased medicines are stated at cost. Donated medicines are stated at the estimated fair value at the date of donation, based upon price lists from a pharmaceutical distributor.

(2) Concentrations of Credit Risk

Financial instruments that potentially subject Interfaith Pharmacy to concentrations of credit risk consist principally of temporary cash investments, and unconditional promises to give.

Interfaith Pharmacy maintains its cash balances at local financial institutions located in their service delivery area. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2014, total cash balances held at financial institutions was \$44,950. This entire amount was secured by FDIC.

Interfaith Pharmacy maintains a money market account at a local financial institution located in their service delivery area. At June 30, 2014, the total balances held at the financial institution were \$124,824. Accounts at this institution are insured by the SIPC.

Unconditional promises to give consists of an amount due from a lessor as an in-kind donation for rent to be provided in subsequent years.

(3) Promises to Give

During the year ended June 30, 2011, Interfaith Pharmacy entered into a lease agreement for office and pharmacy space. The lessor stipulated in the lease agreement that they would forgo the payment of rent and consider such as a donation to Interfaith Pharmacy. The lease agreement is for a term of three years, with an additional one year with the same terms. Rent to be provided in subsequent years is recorded in the accompanying financial statements as an unconditional promise to give. The promise to give is deemed to be collectible, so no provision has been made for uncollectible promises to give as of June 30, 2014. The discount on long-term promises to give was calculated and deemed to be immaterial.

Unconditional promises to give at June 30, 2014, were as follows:

Receivable in less than one year	<u>\$ 27,874</u>
Total unconditional promises to give	<u>\$ 27,874</u>

(Continued)

Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2014
(Continued)

(4) Property and Equipment

Property and equipment consisted of the following at June 30, 2014:

	Estimated Depreciable Life	2014
Leasehold improvements	5 years	\$ 14,401
Furniture and equipment	5 years	<u>22,267</u>
		36,668
Accumulated depreciation		<u>(18,882)</u>
Net fixed assets		<u>\$ 17,786</u>

Depreciation expense for the year ended June 30, 2014 was \$5,388.

(5) Accrued Expenses

Accrued expenses consisted of the following at June 30, 2014:

	2014
Accrued payroll	\$ 3,443
Payroll taxes payable	2,689
	<u>\$ 6,132</u>

(6) Employee Benefit Plans

Interfaith Pharmacy has a Simple Individual Retirement Account plan. The plan is intended to qualify under Section 403(b) of the internal revenue code. All employees of Interfaith Pharmacy are eligible to participate. Interfaith Pharmacy matches participant contributions up to \$1,500 per year. Total expense recognized by Interfaith Pharmacy under this plan for the year ended June 30, 2014 was \$1,895.

(7) Temporarily Restricted Net Assets

The temporarily restricted net assets at June 30, 2014, consist of donations received for specific purposes defined by the donor of which the restrictions were not met as of that date. At June 30, 2014, a total of \$58,062 was restricted for the following:

	2014
Purchase of pharmaceuticals	\$ 14,974
Program expenses	2,858
Use of facilities	27,784
Leasehold improvements and equipment	<u>12,446</u>
	<u>\$ 58,062</u>

(8) Concentration of Revenue

Approximately 93% of the total revenue for the year ended June 30, 2014, was derived from the donations of pharmaceuticals from various medical offices, health institutions, and pharmaceutical companies.

(9) Subsequent Events

Subsequent events have been evaluated through November 14, 2014, the date the financial statements were available to be issued.

Northwest Louisiana Interfaith Pharmacy, Inc.
Shreveport, Louisiana
Summary Schedule of Findings for the Louisiana Legislative Auditor
June 30, 2014

Summary Schedule of Prior Year Findings

There were no significant deficiencies, findings, or management letter comments for the prior year ended June 30, 2013.

Corrective Action Plan for Current Year Findings

There are no significant deficiencies, findings, or management letter comments for the current year ended June 30, 2014.